SOUTH PACIFIC BUSINESS DEVELOPMENT
MICROFINANCE (FIJI) (LTD)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

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DIRECTORS' REPORT

In accordance with a resolution of the board of directors, the directors herewith submit the statement of financial position of the company as at 31 December 2013, the related statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended on that date and report as follows:

Directors

The names of the directors in office at the date of this report are:

Gregory F Casagrande
Peter Lowing

Principal Activities

The principal activity of the company during the year was to provide financial assistance to economically disadvantaged people particularly women who cannot easily access savings and loan products from traditional banks and maintaining money savings account.

There were no significant changes in the nature of these activities during the financial year.

Results

The loss after income tax for the year was $1,183,997 (2012: $1,200,492).

Dividends

The directors recommend that no amounts be paid by way of dividends for the year ended 31 December 2013.

Reserves

It is proposed that no amounts be transferred to reserves within the meaning of the Seventh Schedule of the Companies Act, 1983.

Going Concern Basis of Accounting

Notwithstanding the company's net liability and net current liability position as at balance date and accumulated losses, the financial statements have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of the financial statements on the basis that the company will continue to receive financial support and other ongoing support from the founder of the company and the holding company, SPBD Microfinance Holdings (Singapore) Pte Ltd, including restructuring of holding company's loans and/ or deferment of loan repayments as and when required, which will enable the company to meet its funding requirements for operations and to meet its obligations as and when they fall due. Furthermore, the directors believe that the company has plans and strategies to generate adequate profit and cash flows from its operations, and together with the financial and other support of the founder, holding company and lenders of the company, the company will be able to continue in operation for at least 12 months from the date of this statement and the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

DIRECTORS' REPORT [CONT' D]

Value of Assets

Prior to the completion of the company's financial statements, the directors took reasonable steps to ascertain whether any assets were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the company.

Where necessary, these assets have been written down or adequate allowance has been made to bring the values of such assets to an amount that they might be expected to realise.

As at the date of this report, the directors are not aware of any circumstances, which would render the values attributed to assets in the company's financial statements misleading.

Loan Loss Allowance

Prior to the completion of the company's financial statements, the directors took reasonable steps to ascertain that action has been taken in relation to writing off of loan loss and the making of allowance for loan loss. In the opinion of the directors and the management, adequate allowance has been made for loan loss.

As at the date of this report, the directors are not aware of any circumstances, which would render the amount written off for Loan loss, or the allowance for loan loss in the company, inadequate to any substantial extent.

Unusual Transactions

In the opinion of the directors, the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material unusual nature, nor has there arisen between the end of the financial year and the date of this report any item, transaction or event of a material unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the company in the current financial year.

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

DIRECTORS' REPORT [CONT'D]

Other Circumstances

As at the date of this report

(i) no charge on the assets of the company has been given since the end of the financial year to secure the liabilities of any other person;

(ii) no contingent liabilities have arisen since the end of the financial year for which the company could become liable; and

(iii) no contingent liabilities or other liabilities of the company have become or are likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the company to meet its obligations as and when they fall due.

As at the date of this report, the directors are not aware of any circumstances that have arisen, not otherwise dealt with in this report or the company's financial statements, which would make adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

Directors' Benefits

No director has received or become entitled to receive a benefit (other than those disclosed in the financial statements) by reason of a contract made by the company or by a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

For and on behalf of the board and in accordance with a resolution of the directors.

Dated this 15 day of April 2014.

Director

Director 22/4/

SOUTH PACIFIC BUSINESS DEVELOPMENT MICROFINANCE (FIJI) (LTD)

STATEMENT BY DIRECTORS

In accordance with a resolution of the board of directors of South Pacific Business Development Microfinance (Fiji) (Ltd), we state that in the opinion of the directors:

(i) the accompanying statement of profit or loss and other comprehensive income of the company is drawn up so as to give a true and fair view of the results of the company for the year ended 31 December 2013:

(ii) the accompanying statement of changes in equity of the company is drawn up so as to give a true and fair view of the changes in equity of the company for the year ended 31 December 2013

(iii) the accompanying statement of financial position of the company is drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2013;

(iv) the accompanying statement of cash flows of the company is drawn up so as to give a true and fair view of the cash flows of the company for the year ended 31 December 2013:

(v) the financial statements have been prepared in accordance with International Financial Reporting Standards, and in conformity with the Disclosure Guidelines for Financial Reporting by Microfinance Institutions;

(vi) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due; and

(vii) all related party transactions have been adequately recorded in the books of the company

For and on behalf of the board and in accordance with a resolution of the directors

Dated this 15th day of April 2014.

....
Director

....
Director

22/04/14

BDO

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Suva, Fiji

To the members of South Pacific Business Development Microfinance (Fiji) (Ltd)

We have audited the accompanying financial statements of South Pacific Business Development Microfinance (Fiji) (Ltd) (the company), which comprise the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 8 to 43.

The statement of profit or loss and other comprehensive income and the statement of financial position together with the notes thereon have been drawn up in conformity with the Disclosure Guidelines for Financial Reporting by Microfinance Institutions.

Director's and Management's Responsibility for the Financial Statements

Directors and management are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, in conformity with the Disclosure Guidelines for Financial Reporting by Microfinance Institutions and with the requirements of the Companies Act, 1983, and for such internal control as the directors and management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the members of South Pacific Business Development Microfinance (Fiji) (Ltd) (Cont'd)

Opinion

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the financial position of the company as at 31 December 2013, and its financial performance, cash flows and changes in equity for the year then ended in accordance with International Financial Reporting Standards, and in conformity with the Disclosure Guidelines for Financial Reporting by Microfinance Institutions.

Report on other legal and regulatory requirements

In our opinion:

(a) proper books of account have been kept by the company, so far as it appears from our examination of those books;

(b) the financial statements are in agreement with the books of account; and

(c) to the best of our information and according to the explanations given to us, the financial statements give the information required by the Fiji Companies Act, 1983 in the manner so required.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

BDO

SUVA, FIJI
15TH APRIL 2014

BDO
CHARTERED ACCOUNTANTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes		2013	2012
Financial Income				
Development fee		$	81,882	47,038
Interest on loans			689,379	459,157
Life insurance fee			281,635	167,200
Resignation fee			14,000	7,880
Savings withdrawal fee			5,484	7,092
Total financial income			1,072,380	688,367
Financial Expenses				
Life insurance fee			(67,574)	(122,604)
Interest on borrowed funds			(253,698)	(159,486)
Interest on savings deposits			(11,155)	(4,485)
Loan loss allowance			(13,759)	(118,892)
Total financial expenses			(346,186)	(405,467)
Net financial income			726,194	282,900
Other operating revenue	5		74,946	24,248
Total operating income			**801,140**	**307,148**
Administration and operating expenses			(1,988,398)	(1,509,140)
Operating loss for the year before income tax	7		(1,187,258)	(1,201,992)
Non-operating revenue				
Grants and donations	6		3,261	1,500
Income tax expense	8 (a)			
Loss for the year			(1,183,997)	(1,200,492)
Other comprehensive income				
Total comprehensive loss for the year		$	**(1,183,997)**	**(1,200,492)**

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 43.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013

	Issued Capital	Accumulated Loss	Total
	$	$	$
Balance as at 31 December 2011	250,000	(1,078,361)	(828,361)
Loss for the year	-	(1,200,492)	(1,200,492)
Balance as at 31 December 2012	**250,000**	**(2,278,853)**	**(2,028,853)**
Loss for the year	-	(1,183,997)	(1,183,997)
Balance as at 31 December 2013	**250,000**	**(3,462,850)**	**(3,212,850)**

The statement of changes in equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 43.

SOUTH PACIFIC BUSINESS DEVELOPMENT MICROFINANCE (FIJI) (LTD)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2013

	Notes		2013	2012
CURRENT ASSETS				
Cash on hand and at bank	9	$	326,426	639,789
Loan portfolio outstanding	10		1,770,301	1,117,614
Receivables	11		53,034	47,606
Total current assets			2,149,761	1,805,009
NON-CURRENT ASSETS				
Property, plant and equipment	12		100,755	116,675
Total non-current assets			100,755	116,675
TOTAL ASSETS			2,250,516	1,921,684
CURRENT LIABILITIES				
Clients' savings deposits	13		1,070,152	544,257
Payables	14		115,871	71,204
Interest bearing borrowings	15		1,092,636	530,346
Total current liabilities			2,278,659	1,145,807
NON-CURRENT LIABILITIES				
Interest bearing borrowings	15		3,184,707	2,804,730
Total non-current liabilities			3,184,707	2,804,730
TOTAL LIABILITIES			5,462,366	3,950,537
NET LIABILITIES			(3,212,850)	(2,028,853)
SHAREHOLDERS' EQUITY				
Issued capital	16		250,000	250,000
Accumulated loss			(3,462,850)	(2,278,853)
TOTAL SHAREHOLDERS' EQUITY DEFICIT		$	(3,212,850)	(2,028,853)

The statement of financial position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 43.

For and on behalf of the board and in accordance with a resolution of the directors

....
Director Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013

		2013 Inflows1 (Outflows)	2012 Inflows1 **(Outflows)**
Cash flows from operating activities			
Interest, development, Loan and other fees received	$	1,072,380	688,367
Loans to clients and staff		(4,155,300)	(2,410,641)
Repayments from clients and staff		3,488,854	2,144,644
Client savings deposit		514,740	292,841
Payments to suppliers and employees		(1,839,864)	(1,785,513)
Interest paid on soft Loan		(213,837)	(197,250)
Net cash used in operating activities		(1,133,027)	(1,267,551)
Cash flows from investing activities			
Payments for property, plant and equipment		(60,601)	(73,654)
Proceeds from sale of fixed asset		28,234	-
Net cash used in investing activities		(32,367)	(73,654)
Cash flows from financing activities			
Proceeds from term Loans received from SPBD Holdings Microfinance (Singapore) Pte Limited, net		1,304,446	1,291,686
Proceeds from term Loans		16,172	317,600
Repayment of term Loans		(468,587)	(288,159)
Net cash provided by financing activities		852,031	1,321,127
Net decrease in cash and cash equivalents		(313,363)	(20,078)
Cash and cash equivalents at the beginning of the year		639,789	659,867
Cash and cash equivalents at the end of the year (Note 9)	$	326,426	639,789

The statement of cash flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 12 to 43.

NOTE 1. GENERAL INFORMATION

South Pacific Business Development Microfinance (Fiji) (Ltd) (SPBD) is a company incorporated and domiciled in Fiji. The address of its registered office and principal place of business is disclosed in Note 22 to the financial statements.

The principal activities of the company are disclosed in Note 21 of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted by the company are stated to assist in a general understanding of these financial statements. The accounting policies adopted are consistent with those of the previous year except as stated otherwise.

(a) Statement of Compliance

The financial statements of the company have been drawn up in accordance with the provisions of the Companies Act, 1983 and International Financial Reporting Standards ("IFRS").

The financial statements have also been prepared in accordance with the Disclosure Guidelines for financial reporting of Microfinance Institutions whereby guidelines are voluntary norms recommended by a group of international donors under the Consultative Group to Assist the Poor (CGAP) and by the members of the Social Enterprise Education and Promotion Network (SEEP).

(b) Basis of Preparation

The financial statements have been prepared on the basis of historical cost convention, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are critical to the financial statements are disclosed in Note 4.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Preparation (Cont'd)

New standards, interpretations and amendments effective from 1 January 2013

A number of new standards, interpretations and amendments effective for the first time for periods beginning on (or after) 1 January 2013, have been adopted in these financial statements. The nature and effect of each new standard, interpretation and amendment adopted by the company is detailed below. Not all new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2013 effect the company's financial statements.

Amendments to IAS 1 - Presentation of Items of Other Comprehensive Income

The amendments introduce new terminology, whose use is not mandatory. Under the amendments to IAS 1, the 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income' (and the 'income statement' is renamed as the 'statement of profit or Loss'). The amendments to IAS 1 retain the option to present profit or Loss and other comprehensive income in either a single statement or two separate but consecutive statements. However, the amendments to IAS 1 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section:

(a) Items that will not be reclassified subsequently to profit or loss; and
(b) Items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis - the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

IFRS 13 - Fair Value Measurement

IFRS 13 sets out the framework for determining the measurement of fair value and the disclosure of information relating to fair value measurement, when fair value measurements and/or disclosures are required or permitted by other IFRSs.

As a result, the guidance and requirements relating to fair value measurement that were previously located in other IFRSs have now been relocated to IFRS 13.

While there has been some rewording of the previous guidance, there are few changes to the previous fair value measurement requirements. Instead, IFRS 13 is intended to clarify the measurement objective, harmonise the disclosure requirements, and improve consistency in application of fair value measurement.

IFRS 13 did not materially affect any fair value measurements of the company's assets or liabilities, with changes being limited to presentation and disclosure, and therefore has no effect on the company's financial position or performance.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Preparation (Cont'd)

New standards, interpretations and amendments effective from **7** January **2073** that have no significant impact to the Company

The following new standards, amendments and interpretations are also effective for the first time in these financial statements. However, none have a material effect on the company.

- IFRS 7 Financial Instruments: Disclosures (Amendments - Offsetting Financial Assets and Financial Liabilities).
- IAS 1 Presentation of Financial Statements - (Improvements to IFRSs (2009 - 2011 Cycle)).
- IAS 16 Property, Plant & Equipment - (Improvements to IFRSs (2009 - 2011 Cycle)).
- IAS 32 Financial Instruments: Presentation IFRSs (2009 - 2011 Cycle).

New standards, interpretations and amendments not yet effective

The following new standard, interpretation and amendment, which is not yet effective and has not been adopted early in these financial statements, will or may have an effect on the company's future financial statements.

- IFRS 9 - Financials Instruments (effective for annual periods beginning on or after I January 2015).

(c) Going Concern Basis of Accounting

Notwithstanding the company's net liability and net current liability position as at balance date and accumulated losses, the financial statements have been prepared on a going concern basis. The directors consider the application of the going concern principle to be appropriate in the preparation of the financial statements on the basis that the company will continue to receive financial support and other ongoing support from the founder of the company and the holding company, SPBD Microfinance Holdings (Singapore) Pte Ltd, including restructuring of holding company's loans and/ or deferment of loan repayments as and when required, which will enable the company to meet its funding requirements for operations and to meet its obligations as and when they fall due. Furthermore, the directors believe that the company has plans and strategies to generate adequate profit and cash flows from its operations, and together with the financial and other support of the founder, holding company and lenders of the company, the company will be able to continue in operation for at least 12 months from the date of this statement and the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate.

(d) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(e) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within interest bearing borrowings in current liabilities in the statement of financial position.

(g) Client Savings Deposits

Client savings deposit is recorded as current liabilities in the statement of financial position.

A savings account is required to be established by client in order for consideration for loan by depositing $10. An existing member without an open savings account is required to make an initial deposit of $20 when applying for second loan.

All members are required to have a compulsory savings account and make a deposit of $2 per week per cumulative terms of the previous loan cycles. The compulsory savings amount cannot be withdrawn while the client is a member of the SPBD Centre.

All members are required to maintain a minimum balance in their savings account.

A member with or without an outstanding loan must maintain a required compulsory savings balance equivalent the value of cumulative term of the loan (previous and current) expressed in weeks multiplied by $2. A withdrawal is not allowed if the resulting balance will be less than the member's required balance.

The 50% of the equivalent savings amount used to top up the client's succeeding loan is "locked in" and forms part of the additional maintaining balance of the client.

Any savings amount that is above the required minimum compulsory savings balance (plus "locked-in" savings) is considered to be voluntary savings. Voluntary savings can be withdrawn at any time and the minimum savings that can be made is $1 during centre meeting and $10 at the centre office.

A withdrawal fee of $2 is imposed for every withdrawal transaction. A full withdrawal of a member's savings account balance is only possible if the member has fully paid the loan and wishes to resign from the program. In this event, the initiation deposit of $10 is forfeited as resignation fee.

A member can make weekly loan repayments from her savings account for her loan or another member's loan. Members who belong to a centre in which there is a loan defaulter cannot make withdrawals from their savings accounts until the defaulting loan is repaid in full.

The savings accounts earn interest at the rate of 1.5% per annum and this interest rate may be modified by the company based on the prevailing interest rates amongst commercial banks.

NOTE **2.** SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Comparative Amounts

Where necessary, comparative figures have been re-grouped to conform with changes in presentation in the current year.

(i) Employee Benefits

Wages, salaries and sick leave

Liabilities for wages and salaries expected to be settled within **12** months of the reporting date are accrued up to the reporting date. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates prevailing at that time.

Annual leave

Provisions made in respect of employee benefits expected to be settled within **12** months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Defined contribution plans

Contributions to Fiji National Provident Fund are expensed when incurred.

(j) Foreign Currency Translation

a) Functional and presentation currency

The company operates in Fiji and hence its financial statements are presented in Fiji dollars, which is the company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the Fijian currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or Loss.

(k) Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) **Income** Tax (Cont'd)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or Liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of profit or loss, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity.

(I) Leased Assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Lessee. All other leases are classified as operating leases.

Company as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(m) Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition and installation of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they are incurred.

Depreciation is calculated so as to write off the net cost of property, plant and equipment over its expected useful life.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Property, Plant and Equipment (Cont'd)

The principal annual rates employed are as follows:

Leasehold improvements	50%(2 years)
Furniture and fittings	20%(5 years)
Motor vehicles	33%(3 years)
Computer equipment & peripherals	33%(3 years)
Office equipment	50%(2 years)
Software and electronics system	33%(3 years)

Profits and Losses on disposal of property, plant and equipment are taken into account in determining the results for the year.

(n) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provision is made for the company's liability to employees for annual leave on the basis of statutory or contractual requirements.

(o) Revenue Recognition

Revenues are presented as financial income in the statement of profit or Loss and other comprehensive income which is comprised of income generated from providing financial services to its target clientele. The main sources of financial income are:

(i) ***Interest Income from loans receivable***

In accordance with the Disclosure Guidelines for Financial Reporting of Microfinance Institutions, interest income from loan portfolio is recognised using a cash-based method where they are recognised at the time they are received. Hence, if the loan (with the interest) is paid before it is due, then the interest income is recognised at the time of collection, whereas if the loan (with the interest) is in arrears then no interest income is recognised.

NOTE *2.* SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Revenue Recognition (Cont'd)

(ii) *Development fees*

The company charges a fee of 2% of principal loan amount to be used to cover the cost of training clients, loan evaluation and monitoring. This fee is deducted from the loan proceeds, and are recognised in the period received.

(iii) *Loan Insurance fee*

In accordance with the Disclosure Guidelines for financial reporting of Microfinance Institutions, the company charges and with-holds 2% insurance on the principal amount plus interest on the loans issued to the clients as security in case of death of the client before full payment of their loans (applies to group loans only). The loan insurance fee is treated as income as it is not refundable to the client upon payment of the loan and is recognised in the period in which they are received. Commencing 2 December 2011, loan insurance fee was no longer charged to clients. Instead, the Life Insurance fee is charged as security for loan in case of death.

(iv) Life *Insurance fee*

Commencing 2 December 2011, the company entered into an agreement with the Life Insurance Corporation of India (LICI) for a group loan insurance programme named SPBD Life Guardian Programme where qualified SPBD clients and employees are enrolled in the programme. The company charges $18 per quarter to the programme enrolees as life insurance fee. The company in turn pays a quarterly premium of $15 to LICI for each enrolee covered and retain $3 for its administrative costs. The death benefit of each qualified enrolee is $5,000 (or $10,000 in case of accidental death). The benefits are given to the beneficiaries of the client after deducting outstanding principal plus interest as applicable.

The life insurance fee is treated as income as it is not refundable to the client and is recognised in the period in which they are received. The premium payments to LICI, in turn, are recognised as expenses in the period in which they are paid to LICI.

(v) *Savings Withdrawal fee*

A fee of $2 is charged by the company to its members when they withdraw from their savings accounts and are recognised in the period received.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Loans Portfolio Outstanding

Loans, net of loan loss allowance and loan insurance loss reserve, include direct financial assistance provided to economically disadvantaged people particularly women who cannot easily access savings and loan products from traditional banks.

They are carried at recoverable amount represented by the gross value of the outstanding balance adjusted for loan loss allowance and loan insurance loss reserve.

(q) Payables

Accounts payables are recognized when the company becomes obliged to make future payments resulting from the receipt of goods and services.

(r) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

NOTE **3.** FINANCIAL **RISK** MANAGEMENT

The company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, regulatory risk and interest rate risk), credit risk, liquidity risk and capital risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance.

Risk management is carried out by executive management. Executive management identifies, evaluates and monitors financial risks in close co-operation with the operating units.

(a) Market Risk

i) Foreign exchange risk

The company undertakes transactions denominated in foreign currencies: consequently, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amount of the company's foreign currency denominated monetary liabilities at the end of reporting year are as follows:

	2013	2012
US Dollar	860,000	490,000
AUD Dollar	185,000	185,000
NZD Dollar	455,000	675,000

NOTE 3. FINANCIAL RISK MANAGEMENT [CONT'D]

(a) Market Risk (Cont'd)

Foreign currency sensitivity analysis

The company is mainly exposed to the currency of USA, Australia and New Zealand.

The following table details the company's sensitivity to a 10% increase and decrease in Fiji dollar against the relevant US, Australian and New Zealand dollar. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. If the FJD strengthens/weakens by 10% against the USD, AUD and NZD with all other variables held constant, pre- tax profit impact is as follows:

	Profit / (Loss)			
	Strengthen		Weaken	
	2013 FJD	2012 FJD	2013 FJD	2012 FJD
Australian Dollar - AUD	29,102	31,949	(35,569)	(39,049)
US Dollar - USD	150,814	80,845	(184,328)	(98,810)
New Zealand Dollar - NZD	66,203	92,290	(80,915)	(112,795)

ii) Price risk

The company does not have investments in equity securities and hence is not exposed to equity securities price risk.

iii) Regulatory risk

The company is subject to the provisions of the Microfinance Institutions (Examination and Assessment) Decree 2010 set by the regulatory authority, Reserve Bank of Fiji. Under Section 3 (1) of the Decree, the Reserve Bank may conduct examinations, onsite or otherwise, of any microfinance institution.

iv) Interest rate risk

The principal risk to which lending portfolios are exposed to is the risk of the effects of fluctuations in the prevailing levels of market interest rates on the financial position and cash flows of the company.

The objective of interest rate risk control is to minimize these fluctuations in value and net interest income over time, providing secure and stable sustainable net interest earnings in the long term.

As interest rates and yield curves change over time, the company may be exposed to a loss in earnings due to the sensitivity that arises from mismatches in the re-pricing dates, cash flows and other characteristics of the assets and their corresponding liability funding. These mismatches are actively monitored and managed by the company.

The company has not engaged in any variable rate borrowing.

NOTE 3. FINANCIAL RISK MANAGEMENT [CONT'D]

(b) Credit Risk

Credit risk is the risk of financial loss to the company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's loans to clients.

As part of its risk control procedures, an assessment of the credit quality of a new client, taking into account its financial position, past experience and other factors, is carried out prior to the credit approval. Individual credit risk limits are then set based on the assessments done. The utilisation of credit limits is regularly monitored. Loans to clients are settled via weekly deductions.

(c) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations from its financial liability. Prudent and careful management of the company's liquidity position is essential in order to ensure that adequate funds are available to meet the company's ongoing financial obligations.

The company manages liquidity risk by maintaining adequate banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows.

The table below analyses the company's financial assets and financial Liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Fixed maturity dates				
	2014	2015-2016	2017-2018	2019-2020	Total
	$	$	$	$	$
Financial assets:					
Cash on hand and at bank	326,426	-	-	-	326,426
Loan portfolio outstanding	1,770,301			-	1,770,301
Receivable	53,034			-	53,034
	2,149,761	-	-	-	2,149,761
Financial liabilities:					
Client savings deposit	1,070,152			-	1,070,152
Payables	115,871				115,871
Interest bearing borrowings	1,092,636	2,000,535	1,105,146	79,026	4,277,343
	2,278,659	2,000,535	1,105,146	79,026	5,463,366

NOTE 3. FINANCIAL RISK MANAGEMENT [CONT'D]

(d) Capital Risk

The company's objectives when managing capital is to safeguard its ability to continue as a going concern in order to provide consistent returns for shareholders to maintain an optimal capital structure to reduce the cost of capital and be in compliance with statutory requirements. In order to maintain the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The company's objectives when managing capital, which is a broader concept than the 'equity' on the face of statement of financial position, are:

(i) To comply with the capital requirements set by the Reserve Bank of Fiji;

(ii) To safeguard the company's ability to continue as a going concern so that it can continue to provide returns for shareholders; and

(iii) To maintain a strong capital base to support the development of the company's business.

Capital adequacy and the use of regulatory capital are monitored by the management of the company.

NOTE 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical Judgments in Applying the Company's Accounting Policies

(a) Impairment of Loans

Impairment of loans balances is assessed at an individual as well as on a collective level. A general loan loss allowance is made based on the appraisal carried out at year end and in accordance with the Disclosure Guidelines for Financial Reporting of Microfinance Institutions (refer note 10 (a)).

(b) Impairment of property, plant and equipment

The company assesses whether there are any indicators of impairment of all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, a reasonable allowance for impairment is made. For the year ended 31 December 2013, no allowance for impairment has been made as the company reasonably believes that no indicators for impairment exist.

NOTE 5. OTHER OPERATING INCOME

	2013	2012
Financial booklet	40,054	-
Gain on sale of fixed asset	8,222	-
Interest from bank	1,143	4,056
Loan write-off recoveries	8,993	10,699
MPAiSA commission	8,139	-
Miscellaneous income	8,395	9,493
Total other operating income	74,946	24,248

NOTE 6. NON OPERATING INCOME

Grants and donations	21,537	1,500
Less expenses	(18,276)	-
Net income from grants and donations	3,261	1,500

NOTE 7. LOSS BEFORE INCOME TAX

Loss before income tax has been determined after charging the following expenses:

Auditors' remuneration for:		
- Audit fees	25,300	23,000
- Other services	9,660	30,820
Depreciation	56,509	48,626
Legal fees	-	926
Loan loss allowance	13,759	118,892
Life insurance	67,574	122,604
Management fees	134,994	148,071
Rent	107,700	93,997
Salaries, wages, FNPF and training levy	727,278	454,204
Overseas traveling	29,010	19,767

NOTE 8. INCOME TAX

a) Income Tax Expense

The prima facie tax expense on loss is reconciled to the income tax benefit as follows:

Loss before income tax	(1,183,997)	(1,200,492)
Prima facie tax thereon at 20%	(236,799)	(240,098)
Tax effect of:		
Non-deductible expenses	6,000	1,591
Temporary differences not recognized as deferred tax assets	5,400	(2,079)
Deferred tax assets on tax losses not recognised	225,399	240,586
Income tax expense	$	

NOTE 8. INCOME TAX [CONT'D]

(b) Benefit of Income Tax Losses not brought to Account

As at 31 December 2013, the company had unconfirmed unrecouped income tax losses of approximately $3,046,839 (2012: $1,965,530) available to offset against future years' taxable income, The benefit on income tax losses has not been brought to account as realisation is not considered to be probable. The benefit will only be obtained if:

(i) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits from the deductions for the losses to be realised;

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the losses.

NOTE 9. NOTES TO THE STATEMENT OF CASH FLOWS

		2013	2012
Cash on hand and at bank			
Petty cash	$	4,000	3,000
Savings reserve imprest		-	132
Vodafone M-Paisa account		119,751	12,688
Cash at bank		202,675	623,969
Total cash on hand and at bank		326,426	639,789

Cash and cash equivalents included in the statement of cash flows comprise the above statement of financial position amounts.

NOTE 10. LOANS PORTFOLIO OUTSTANDING

Accumulative Since Inception:

		2013	2012
Total loan disbursements		9,266,291	5,110,991
Repayments		(7,304,462)	(3,815,608)
Interest income capitalised to restructured loan		8,180	8,180
Restructure fee capitalised to restructured loan		5,299	5,299
Loan insurance loss reserve - write-offs - principal		(3,956)	(3,956)
Loan loss allowance - write-offs - principal		(172,041)	(144,631)
Gross loans portfolio outstanding		1,799,311	1,160,275
Loan loss allowance (d)		(27,175)	(40,826)
Loan insurance loss reserve (c)		(1,835)	(1,835)
Net loans portfolio outstanding	$	1,770,301	1,117,614

NOTE 10. LOANS PORTFOLIO OUTSTANDING (CONT'D)

Movement:		2013	2012
Opening balance	$	1,117,614	969,299
Disbursements		4,155,300	2,410,641
Repayments		(3,488,854)	(2,144,644)
Loan insurance Loss reserve write-offs - principal		-	1,210
Loan Loss allowance write-offs - principal (b)		(27,410)	(104,123)
Net movement in Loan Loss allowance		13,651	(14,769)
Closing balance	$	1,770,301	1,117,614

(a) Loan Loss Allowance

The company conducts Loan Loss provisioning every quarter to maintain an adequate reserve for doubtful Loans. The reserve is determined by applying predicted Loss percentages to aged loans grouped by Lateness of payment. A loan becomes Late as a weekly scheduled payment is missed. The company applies the following conservative predicted Loss ratios.

Allowance Ratios for Group Loans

Loan Aging	Loan Loss Allowance	Loan Outstanding ($)	Loan Loss Allowance Amount ($)
1 week to 4 weeks late	5%	18,201	910
5 weeks to 8 weeks late	10%	5,497	550
9 weeks to 12 weeks Late	25%		
13 weeks to 16 weeks late	50%	677	339
17 weeks to 20 weeks Late	75%	1,180	885
21 weeks or more	100%	19,265	19,265
Total Allowance as of 31 December 2013		44,820	21,949

The company provides a 100%provision for loan Losses for loans overdue for 21 weeks or more.

(b) Write-offs

Loan Type	Number of Loans	Write off Amount	Amount as % of Loan Portfolio
Loan Loss Allowance	77	27,410	1.52%

The decision as to which loans to write off and to which to provide Loan allowance in 2013 was made taking into account the age of the outstanding loan, the balance of the outstanding Loan compared to the cost effectiveness of recovery and management's own evaluation of the Likelihood of recovery. Loans write-off requires an approval by the President of the company.

NOTE 10. LOANS PORTFOLIO OUTSTANDING (CONT'D)

(c) Movement in Insurance Loan Loss Reserve

Insurance loan loss reserve is increased by annual insurance loan loss reserve expense and decreased by loan reserve write-offs.

		2013	2012
Opening balance	$	1,835	3,045
Loans written off in the year		-	(1,210)
Closing balance		1,835	1,835

(d) Loan Loss Allowance

Loan loss allowance is increased by annual Loan loss provisioning expense and decreased by loan write-offs.

Movement in Loan Loss allowance

Opening balance		40,826	26,057
Loan loss expense for the year		13,759	118,892
Loans written off in the year		(27,410)	(104,123)
Closing balance	$	27,175	40,826

(e) Portfolio Composition

The company adopts the Grameen Bank's group solidarity lending methodology. The company's Loan portfolio consists of loans to clients and staff. Group loans are made under the provisions of SPBD Credit Manual. Staff loans are made under the provisions of the employee loan program under SPBD Human Resources Policy Manual.

The company offers one group loan product with variable terms and pricing depending on the loan amount as shown in the following table:

Minimum Loan Amount $	Maximum Loan Amount $	Loan Term	Add-on-interest
250	300	13 weeks	8%
350	550	26 weeks	14%
600	850	39 weeks	20%
900	5,000	52 weeks	25%

NOTE **10.** LOANS PORTFOLIO OUTSTANDING (CONT'D)

(e) Portfolio Composition (Cont'd)

The loan product is unsecured and is amortised in weekly equal instalments. The first loan (regardless of loan product) should be used exclusively to expand or establish a microenterprise to be managed by the client or by a household member (husband, son, daughter, etc.). Subsequent loans can be used only for any or a combination of the following purposes: business, home improvement and education of children. Loans are disbursed at the company office and also via Vodafone's **MPAiSA** mobile money services while loan repayments are collected at the village-based meetings by the company staff. Repayment of loan via Vodafone's **MPAiSA** mobile money services is also available to the clients. A loan must be paid off before another loan is issued to the same client.

Loans Disbursed during **2013**			
Loan Type	Number of New Loans	Principal Amount	Amount as % of Total Portfolio
		$	
Group loans (New)	3,117	1,509,150	36%
Group loans (Existing)	2,575	2,584,550	62%
Staff loans	42	61,600	2%
Total	5,734	4,155,300	100%
Average loan size at disbursement		**$725**	

Loans Disbursed during **2012**			
Loan Type	Number of New Loans	Principal Amount	Amount as % of Total Portfolio
		$	
Group loans (New)	2,456	1,442,550	60%
Group loans (Existing)	811	909,350	38%
Staff loans	34	58,740	2%
Total	3,301	2,410,640	100%
Average loan size at disbursement		**$730**	

The clients must use the first loans for starting or expanding micro-businesses. If these micro-businesses are doing well, they can then apply for housing improvement and educational loans for their subsequent borrowings. Housing improvement loans are typically used to buy concrete, timber, roofing, plumbing or electrical supplies to significantly upgrade their homes. Educational loans are typically used to pay for school fees, school uniforms and text books.

NOTE 10. LOANS PORTFOLIO OUTSTANDING (CONT'D)

(f) Portfolio Quality

The company loans is staff's number one priority to keep the loan portfolio healthy. They strictly apply the credit rules and policies outlined in SPBD Credit Manual. As the company offers only unsecured loans, it relies on good client and project selection as a primary tool to ensure portfolio quality. When a client does not make a payment, the company applies the group guarantee policy and asks her group members to make a payment for that client. The principle of group guarantee is clearly communicated and explained in program training, knowledge test, loan application and loan interview; and is regularly reinforced through weekly meetings and periodic trainings.

		31 DECEMBER 2013		
Loan Types	Number of Accounts	Outstanding Principal Balance	PAR > 30 days Amount	PAR > 30 Days (%)
		$	$	
Group Loans				
Current	3,831	1,716,835		
1-4 weeks Late	52	18,201		
5-8 weeks late	12	5,497	5,497	0.31%
9-12 weeks late	-	-	-	-
13-16 weeks late	1	677	677	0.04%
17-20 weeks late	2	1,180	1,180	0.07%
Over 20 weeks late	49	19,265	19,265	1.09%
Total	**3,947**	**1,761,655**	26,619	1.51%
Staff Loans				
Current	27	34,766		
1-4 weeks late	-	-		
5-8 weeks Late	-	-	-	-
9-12 weeks Late	-	-	-	-
13-16 weeks late	-	-	-	-
17-20 weeks Late	-	-	-	-
Over 20 weeks late	3	2,890	2,890	7.67%
Total	30	**37,656**	2,890	7.67%
Total Group and Staff Loan				
Current	3,858	1,751,601		
1-4 weeks late	52	18,201		
5-8 weeks Late	12	5,497	5,497	0.31%
9-12 weeks late	-	-	-	-
13-16 weeks Late	1	677	677	0.04%
17-20 weeks late	2	1,180	1,180	0.07%
Over 20 weeks late	52	22,155	22,155	1.23%
Total	**3,977**	**1,799,311**	29,509	1.64%

NOTE 10. LOANS PORTFOLIO OUTSTANDING (CONT'D)

(f) Portfolio Quality (Cont'd)

The company defines portfolio at risk (PAR) as:

= Outstanding principal amount of all loans that have one or more instalments of principal past due by 30 days/ Gross Loan Portfolio.

A loan is considered in arrears when a due weekly payment is missed and that group guarantee does not work. The company does not have any late or penalty fees. The company staff then follows the procedures outlined in the SPBD Credit Manual to get clients in arrears back on track as soon as possible. Parallel to these efforts, the company creates provisions to ensure that adequate reserves are maintained for potential losses as outlined under SPBD Loan Loss Provisioning and write-off policies outlined in note 10 (a) above.

NOTE 11. RECEIVABLES		2013	2012
Deposits	$	38,770	35,701
Prepayments and other receivables		14,264	11,905
Total receivables	$	**53,034**	**47,606**

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are as follows:

	Leasehold improvements	Furniture and fixtures	Office equipment	Computer equipment and peripherals	Motor vehicles	Software and electronics system	Total
	($)	($)	($)	($)	($)	($)	($)
Gross carrying amount							
Balance at 1 January 2012	21,144	30,094	9,865	30,466	35,000	10,042	136,611
Additions	4,150	26,853	2,100	24,302	13,000	3,249	73,654
Balance at 31 December 2012	25,294	56,947	11,965	54,768	48,000	13,291	210,265
Additions	2,000	13,641	1,321	17,719	25,900	-	60,581
Disposal	-	(1,939)	-	(2,193)	(47,900)	-	(52,032)
Balance at 31 December 2013	27,294	68,649	13,286	70,294	26,000	13,291	218,814
Accumulated depreciation							
Balance at 1 January 2012	12,274	5,224	2,187	8,718	12,639	3,922	44,964
Depreciation	11,376	7,795	1,919	11,051	12,279	3,736	48,626
Balance at 31 December 2012	23,650	13,019	4,106	19,769	25,388	7,658	93,590
Depreciation	2,477	9,243	2,336	23,593	15,551	3,309	56,509
Disposal	-	(259)	-	(1,645)	(30,136)	-	(32,040)
Balance at 31 December 2013	26,127	22,003	6,442	41,717	10,803	10,967	118,059
Net book value							
Balance at 31 December 2012	1,644	43,928	7,859	34,999	22,612	5,633	116,675
Balance at 31 December 2013	1,167	46,646	6,844	28,577	15,197	2,324	100,755

NOTE 13. CLIENT SAVINGS DEPOSITS

		2013	2012
Number of Savings Accounts		7,232	5,366
Client savings balance	$	1,070,152	544,257

A savings account is required to be established by client in order for consideration for loan by depositing $10. An existing member without an open savings account is required to make an initial deposit of $20 when applying for second loan.

All members are required to have a compulsory savings account and make a deposit of $2 per week per cumulative terms of the previous loan cycles. The compulsory savings amount cannot be withdrawn while the client is a member of the SPBD Centre.

All members are required to maintain a minimum balance in their savings account.

A member with or without an outstanding loan must maintain a required compulsory savings balance equivalent the value of cumulative term of the loan (previous and current) expressed in weeks multiplied by $2. A withdrawal is not allowed if the resulting balance will be less than the member's required balance.

The 50%of the equivalent savings amount used to top up the client's succeeding loan is "locked in" and forms part of the additional maintaining balance of the client.

Any savings amount that is above the required minimum compulsory savings balance (plus "locked-in" savings) is considered to be voluntary savings. Voluntary savings can be withdrawn at any time and the minimum savings that can be made is $1 during centre meeting and $10 at the centre office.

The savings accounts earn interest at the rate of 1.5% per annum and this interest rate may be modified by the company based on the prevailing interest rates amongst commercial banks.

NOTE 14. PAYABLES

		2013	2012
Payable to South Pacific Business Development Microfinance Holdings (Singapore) Pte Limited (a)		21,996	21,996
Payable to Transformative Ventures LLC (a)		17,757	6,338
Accrued interest		25,204	4,575
Accruals		50,914	38,295
Total payables	$	115,871	71,204

(a) South Pacific Business Development Microfinance Holdings (Singapore) Pte Limited and Transformative Ventures LLC are shareholder related entities. Payable to shareholder related entities are for the travelling charges and executive remuneration fees and management fees, paid by the shareholder related entities on behalf of the company.

NOTE 15 INTEREST BEARING BORROWINGS		2013	2012
Current			
Unsecured borrowings:			
Jasmine Charitable Trust (c)	$	480,154	451,196
MicroDreams Foundation loan 1 (a)(i)		200,000	-
MicroDreams Foundation loan 2 (a)(ii)		77,160	-
SPBD Microfinance Holdings (Singapore) Pte Ltd Loan 1 (d)(i)		160,000	40,000
PIF Foundation loan 1 (b) (i)		120,000	-
World Education Australia Limited (WEAL) (e)		55,322	39,150
Total current unsecured interest bearing borrowings		1,092,636	530,346
Non-Current			
Unsecured borrowings:			
MicroDreams Foundation loan 1 (a)(i)		-	200,000
MicroDreams Foundation loan 2 (a)(ii)		308,642	362,976
MicroDreams Foundation loan 3 (a)(iii)		173,611	163,340
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 1 (d)(i)		-	160,000
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 2 (d)(ii)		385,802	362,976
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 3 (d)(ii)		400,000	400,000
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 4 (d)(iii)		320,307	351,444
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 5 (d)(iv)		96,451	-
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 6 (d)(v)		297,644	-
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 7 (d)(vi)		192,901	-
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 8 (d)(vii)		231,481	-
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 9 (d)(viii)		192,901	-
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 10 (d)(ix)		216,888	-
SPBD Microfinance Holdings (Singapore) Pte Ltd loan 10 (d)(x)		128,041	-
PIF Foundation loan 1 (b)(i)		-	120,000
PIF Foundation loan 2 (b)(ii)		120,000	120,000
Jasmine Charitable Trust (c)		120,038	563,994
Total non-current unsecured interest bearing borrowings	$	3,184,707	2,804,730

(a) MicroDreams Foundation

The company received the following loans from MicroDreams Foundation to assist the company in financing its activities:

(i) Unsecured loan amounting to $200,000 on 1 November 2010 at an interest rate of 8% per annurn. The interest payments were made semi-annually beginning 30 June 2011. From 2014, interest payments will be made quarterly on the amount of principal outstanding. The interest payment on 30 June 2011 was based on the entire period since loan disbursement. The final interest payment will be due on 31 December 2014.

Principal repayments will be made in four quarterly instalments of $50,000 and will be due on 31 March 2014, 30 June 2014, 30 September 2014 and 31 December 2014. The loan is due in full on 31 December 2014.

NOTE **15.** INTEREST BEARING BORROWINGS (CONT'D)

(a) **MicroDreams** Foundation (Cont'd)

Since the loans are unsecured, the Funder requires the following

- the annual audited financial statements.
- unaudited quarterly financial statements.
- a completed semi-annual report with data for 30 June and 31 December for each year that this loan agreement remains in effect.
- three well written SPBD-Fiji client success stories with high quality photos every six months.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(ii) Unsecured loan amounting to USD 200,000 on 23 May 2011 at an interest rate of 7% per annum. The interest payments will be made annually beginning 31 December 2014 and will be based on the amount of principal outstanding for the year. The final interest payment will be due on 31 December 2015.

Principal repayments will be made in five quarterly instalments of USD 40,000 and will be due on 31 December 2014, 31 March 2015, 30 June 2015, 30 September 2015 and 31 December 2015. The loan is due in full on 31 December 2015.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- three well written SPBD-Fiji client success stories with high quality photos every six months.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(iii) Unsecured loan amounting to USD 90,000 on 31 December 2012 at an interest rate of 9% per annum. Interest payments are semi-annually during 2013 and 2014 and then quarterly during 2015. Interest payments are based on amount of principal outstanding for the prior period. The first interest payment was on 15 June 2013 and was based on the entire period since the loan disbursement. The final interest payment will be due on 31 December 2015.

Principal repayments will be made in four quarterly instalments of USD 22,500 and will be due on 15 March 2015, 15 June 2015, 15 September 2015 and 15 December 2015. The loan is due in full on 15 December 2015.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.

NOTE 15. INTEREST BEARING BORROWINGS (CONT'D)

(b) PIF Foundation

(i) Unsecured loan amounting to FJD 120,000 received on 15 August 2010 at an interest rate of 5% per annum. Interest payments are made annually and are due on 31 December of each year. The first interest payment was due on 31 December 2011 and was based on 13 and half months. Interest payment is based on the average amount of principal outstanding for the preceding twelve months.

Principal repayments will begin in the final year of the loan contract. The first principal repayment will be on 31 March 2014. The company will make four quarterly principal repayments of $30,000. The final principal payment must be made on 31 December 2014. The loan and all accrued but unpaid interest is due and payable in full on 31 December 2014.

Since the loan is unsecured, the Funder requires the annual audited financial statements, access to the President or General Manager for general discussion and such other information regarding the company or the loan program as the Funder may reasonably request from time to time.

The funder also requires the following reports within 45 days of the end of each quarter.

- Management report providing update on program activities, intermediate outputs and progress towards targeted outcomes.
- Financial Performance Report.
- Other reports reasonably requested by the Funder including explanation around administrative issues, legal advice and staffing.
- The parties will meet by conference call to discuss the contents of the report.

(ii) Unsecured loan amounting to FJD 120,000 received on 12 July 2012 to assist in financing its activities at an interest rate of 4% per annum. Interest payments will be made annually and are due on 31 July of each year. The first interest payment was made on 31 July 2013. Interest payment is based on the average amount of principal outstanding for the preceding twelve months. The final interest payment will be due on 31 July 2017.

Principal repayments will begin in the final year of the loan contract. The first principal repayment will be on 31 October 2016. The company will make four quarterly principal repayments of $30,000. The final principal payment must be made by the 31 July 2017.

Since the loan is unsecured, the Funder requires the annual audited financial statements, access to the President or General Manager for general discussion and such other information regarding the company or the loan program as the Funder may reasonably request from time to time.

NOTE 15. INTEREST BEARING BORROWINGS (CONT'D)

(b) PIF Foundation (Cont'd)

The funder also requires the following reports within 45 days of the end of each quarter.

- Management report providing update on program activities, intermediate outputs and progress towards targeted outcomes.
- Financial Performance Report.
- Other reports reasonably requested by the Funder including explanation around administrative issues, legal advice and staffing.
- The parties will meet by conference call to discuss the contents of the report.

(c) Jasmine Charitable Trust

Loan from Jasmine Charitable Trust was acquired to assist the company in financing its activities. The company received unsecured loan amounting to NZD 750,000 at an interest rate of 3%per annum. Interest payments will be made quarterly. The first interest payment was made on 31 March 2013. Interest payments will be based on the average amount of principal outstanding for each quarter. The final interest payment will be due on 31 March 2015.

Principal repayments will begin 24 months after disbursement of the loan contract. The first principal repayment was made on 31 December 2012. The company will make ten quarterly principal repayments of NZD 75,000 each. The final principal payment must be made on 31 March 2015. The loan and all accrued but unpaid interest is due and payable in full on 31 March 2015.

Since the loan is unsecured, the Funder requires the annual audited financial statements, access to the President or General Manager for general discussion and such other information regarding the company or the loan program as the Funder may reasonably request from time to time.

The funder also requires the following reports within 30 days of the end of each quarter.

- Management report providing update on program activities, intermediate outputs and progress towards targeted outcomes.
- Financial Performance Report.
- Other reports reasonably requested by the Funder including explanation around administrative issues, legal advice and staffing.
- The parties will meet by conference call to discuss the contents of the report.

(d) Loan from SPBD Holding (Singapore) Pte Limited

The company received the following loans from SPBD Holdings (Singapore) Pte Limited to assist the company in financing its activities:

(i) Unsecured loan amounting to FJD 200,000 on 4 January 2012 at an interest rate of 7%per annum. Interest payments will be made on 15 December of each calendar year. interest payments are based on amount of principal outstanding for the prior period. The final interest payment will be due on 15 December 2014.

NOTE 15. INTEREST BEARING BORROWINGS (CONT'D)

(d) Loan from SPBD Holding (Singapore) Pte Limited (Cont'd)

Principal repayments will be made in five quarterly instalments of FJD 40,000 each. The first principal repayment was made on 15 December 2013. The remaining principal repayments must be made on 15 March 2014, 15 June 2014, 15 September 2014 and 15 December 2014. The loan is due in full on 15 December 2014.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(ii) Unsecured loan amounting to FJD 400,000 and USD 200,000 on 1 August 2012 at an interest rate of 9% per annum on the principal outstanding of the FJD loan and 7% per annum on the principal outstanding of the USD loan.

Interest payments are due quarterly. The first interest payment was made on 15 December 2012. Interest payments are based on amount of principal outstanding for the prior period. The final interest payment will be due on 15 June 2017.

Principal repayments will be made in eight quarterly instalments of FJD 50,000 and USD 25,000 each beginning on 15 September 2015. The final principal payment must be made on 15 June 2017.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(iii) Unsecured loan amounting to AUD 185,000 on 20 December 2012 at an interest rate of 7% per annum. Interest payments will be made quarterly. The first interest payment was made on 15 March 2013. Interest payments are based on amount of principal outstanding for the prior period. The final interest payment will be due on 15 June 2017.

Principal repayments will be made in eight quarterly instalments of AUD 23,125 and will be due on 15 September 2015. The loan is due in full on 15 June 2017.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

NOTE 15. INTEREST BEARING BORROWINGS (CONT'D)

(d) Loan from SPBD Holding (Singapore) Pte Limited (Cont'd)

(iv) Unsecured loan amounting to USD 50,000 on 25 March 2013 at an interest rate of 8% per annum. The interest payments will be made semi-annually. The first interest payment was made on 31 December 2013 and based on the entire period since the loan disbursement. The interest payments will be based on the amount of principal outstanding for each quarter. The final interest payment will be due on 31 December 2015.

Principal repayments begin in the final year of the loan contract. The company will make two semi-annually instalments of USD 25,000. The final principal payment must be made on 31 December 2015.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(v) Unsecured loan amounting to FJD 297,644 on 30 April 2013 is interest free. Principal repayments will begin 38 months after the disbursement of the loan. The first principal repayment will be due on 30 June 2016. The company will make twelve quarterly principal repayments of $24,804 each. The final principal payment must be made on 31 March 2019.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(vi) Unsecured loan amounting to USD 100,000 on 14 June 2013 at an interest rate of 9.5% per annum. The interest payments will be made quarterly and the first interest payment was made on 30 September 2013. The interest payment is based on the amount of principal outstanding for each quarter. The final interest payment will be due on 31 March 2016.

Principal repayments will be made in five quarterly instalments of USD 20,000 and will be due on 31 March 2015, 30 June 2015, 30 September 2015, 31 December 2015 and 31 March 2016. The loan is due in full on 31 March 2016.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

NOTE 15. INTEREST BEARING BORROWINGS (CONT'D)

(d) Loan from SPBD Holding (Singapore) Pte Limited (Cont'd)

(vii) Unsecured loan amounting to USD 120,000 on 26 September 2013 at an interest rate of 10% per annum. Interest payments will be made semi-annually from 2014 to 2016 and then quarterly beginning 15 September 2016. The first interest will be due on 15 March 2014. Interest payments will be based on the amount of principal outstanding for each semi-annual period or quarterly period, depending on the date of payment. The final interest payment will be due on 15 September 2017.

Principal repayments will be made in five quarterly instalments of USD 24,000 and will be due on 15 September 2016, 31 December 2016, 31 March 2017, 15 June 2017 and 15 September 2017. The loan is due in full on 15 September 2017.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(viii) Unsecured loan amounting to USD 100,000 on 8 October 2013 at an interest of 9.5% per annum. Interest payments will be made semi-annually from 2013 to 2016 and then quarterly beginning 1 January 2017. The first interest payment was on 31 December 2013. Interest payments is based on the amount of principal outstanding for each semi-annual or quarterly period, depending on the date of payment. The final interest payment will be due on 31 December 2017.

Principal repayments will be made in five quarterly instalments of USD 20,000 and will be due on 31 December 2016, 31 March 2017, 30 June 2017, 30 September 2017 and 31 December 2017. The loan is due in full on 31 December 2017.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(ix) Unsecured loan amounting to FJD 216,888 on 10 December 2013 is interest free. The first principal repayment will be due on 15 December 2016. The company will make twelve quarterly principal repayments of $18,072 each. The final principal payment must be made on 15 September 2019.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

NOTE **15.** INTEREST BEARING BORROWINGS (CONT'D)

(d) Loan from SPBD Holding (Singapore) Pte Limited (Cont'd)

(x) Unsecured loan amounting to NZD 80,000 on 13 December 2013 at an interest rate of 9% per annum. Interest payments will be made semi-annually from 2014 to 2016 and then quarterly beginning 1 January 2017. The first interest payment will be due on 1 June 2014. Interest payments will be based on the amount of principal outstanding for each semi-annual or quarterly period, depending on the date of payment. The final interest payment will be due on 1 December 2017.

Principal repayments will be made in five quarterly instalments of NZD 16,000 and will be due on 1 December 2016, 1 March 2017, 1 June 2017, 1 September 2017 and 1 December 2017. The loan is due in full on 1 December 2017.

Since the loans are unsecured, the Funder requires the following:

- the annual audited financial statements.
- unaudited quarterly financial statements.
- such other information regarding the company or the Loan Program as the Funder may reasonably request from time to time.

(e) World Education Australia Limited (WEAL)

Loans from World Education Australia Limited (WEAL) was acquired to assist the company in financing its activities. Interest free loans was received from WEAL.

WEAL aggregates and disburses funds received from lenders for loan applicants sourced by the company.

The company undertakes to:

- lend the amount of funding (less any transaction fees agreed with WEAL); and
- use reasonable endeavours to ensure that the funding is used for the purpose(s) notifies to WEAL in the initial application.

The company provides details of loan applicant, details of the manner in which the loan applicant proposes to repay the loan together with other details of the loan applicant which is disclosed on the WEAL website. Loan applicant details together with repayments are forwarded to WEAL every month.

Since the loan is unsecured WEAL requires the company to provide regular reports to WEAL containing information required by WEAL from time to time.

NOTE 16. SHARE CAPITAL

		2013	2012
Authorised capital 4,000,000 ordinary shares of $0.25 each	$	1,000,000	1,000,000
Issued and paid up capital 1,000,000 ordinary shares of $0.25 each		250,000	250,000

NOTE 17. COMMITMENTS

a) Capital Commitments

	2013	2012
Capital expenditure approved but not committed	-	75,000
Total capital expenditure commitments	-	75,000

b) Operating Lease Commitments

Operating lease rental for building spaces used is payable as follows:

		2013	2012
Not later than one year		118,859	84,899
Later than one year but not later than two years		116,559	26,399
Later than two years but not later than five years		147,961	38,198
	$	383,379	149,496

c) The company is committed to pay Transformative Ventures LLC, management fees of $100,000 per annum.

NOTE 18. CONTINGENT LIABILITIES

Contingent liabilities as at 31 December 2013 amounted to $Nil (2012: Nil).

NOTE 19. NENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

NOTE **20.** RELATED PARTY TRANSACTIONS

(a) Holding company and ultimate holding company

The holding company and ultimate holding company is South Pacific Business Development Microfinance Holdings (Singapore) Pte Limited, a company incorporated in Singapore.

(b) The names of persons who were directors of the company at any time during the year are as follows:

Gregory F Casagrande
Peter Lowing

Shareholder related entities are as follows:

1. South Pacific Business Development Microfinance Holdings (Singapore) Pte Limited
2. Transformative Ventures LLC.

During the year, related party transactions with the above entities were as follows:

1. Management fees amounting to $100,000 (2012: $90,000) was paid to Transformative Ventures LLC.
2. Reimbursement of travelling charges incurred by Transformative Ventures LLC Limited on behalf of the company amounted to $21,520 (2012: $79,937).
3. Receipt of loan from South Pacific Business Development Microfinance Holdings (Singapore) Pte Limited amounted to $1,344,446 (2012: $1,291,686) and repayment of loan to South Pacific Business Development Microfinance Holdings (Singapore) Pte Limited amounted to $40,000 (2012: $Nil).
4. Interest on loan amounting to $118,526 (2012: $38,823) was paid to South Pacific Business Development Microfinance Holdings (Singapore) Pte Limited.

(c) Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

During the financial year, no compensation was directly paid to key management personnel.

However, management fee was paid to shareholder related entity for management services provided amounting to $100,000. This amount has been disclosed as management fees in the financial statements.

NOTE 21. PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to provide financial assistance to economically disadvantaged people particularly women who cannot easily access savings and loan products from traditional banks and maintaining money savings account.

There were no significant changes in the nature of the activities during the financial year

NOTE 22. COMPANY DETAILS

Company Incorporation

The company was incorporated in Fiji under the Companies Act, 1983.

Registered Office and Principal Place of Business

The registered office and principal place of business of the company is located at:

Bidesi Building
250 Waimanu Road
Suva

NOTE 23. COMPARATIVES

Where necessary, comparative figures have been re-grouped to conform with changes in presentation in the current year.

NOTE 24. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 15 April 2014.

ADDITIONAL INFORMATION
DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED **31** DECEMBER **2013**

		2013	2012
Financial Income			
Development fee	$	81,882	47,038
Interest on loans		689,379	459,157
Life insurance fee		281,635	167,200
Savings withdrawal fee		5,484	7,092
Resignation fee		14,000	7,880
Total financial income		1,072,380	688,367
Financial Expenses			
Life insurance fee		(67,574)	(122,604)
Interest on borrowed funds		(253,698)	(159,486)
Interest on savings deposits		(11,155)	(4,485)
Loan Loss allowance		(13,759)	(118,892)
Total financial expenses		(346,186)	(405,467)
Net financial income		**726,194**	**282,900**
Other operating revenue		74,946	24,248
Total income		**801,140**	**307,148**
Administration and operating expenses (Page 45)		(1,988,398)	(1,509,140)
Operating loss before income tax		**(1,187,258)**	**(1,201,992)**
Non operating revenue			
Grants and donations		3,261	1,500
Income tax expense			
Loss for the year	$	**(1,183,997)**	**(1,200,492)**

ADDITIONAL INFORMATION [CONT'D]
DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
Administration and Operating Expenses			
Accounting fees	$	9,660	30,820
Audit fees		25,300	23,000
Bank charges		3,029	3,321
Computer support		18,189	9,649
Conference and meetings		13,566	10,998
Commission - M Paisa agents		5,636	-
Depreciation		56,509	48,626
Electricity and water		21,518	13,884
Exchange loss - unrealised		99,552	58,835
FNPF contribution		55,980	46,728
Fringe Benefit Tax		2,009	359
GM's expenses and allowances		36,000	31,643
Insurance		771	77
Legal fees		-	926
Management fees		134,994	148,071
Membership and subscriptions		943	-
New branch opening expense		6,703	4,537
Office expenses		39,393	25,135
Other expenses		10,561	22,333
Overseas traveling		29,010	19,767
Printing and office stationeries		48,694	42,641
Professional fees		15,185	42,098
Postage, telephone and communication		28,163	21,068
Public relations and advertisements		3,336	27,184
Realised exchange loss		17,392	5,718
Rent		107,700	93,997
Repairs and maintenance		9,617	7,435
Salaries and wages		727,278	454,204
SPBD awards day		7,555	31,847
Staff benefits		94,501	48,192
Training and development - Staff and client		45,626	60,875
Transportation, fuel and oil		314,028	175,172
Total administration and operating expenses	$	1,988,398	1,509,140

SOUTH PACIFIC BUSINESS DEVELOPMENT MICROFINANCE (FIJI) (LTD)
ADDITIONAL FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2013

DISCLAIMER

The additional financial information presented on pages 44 to 45 does not form part of the statutory financial statements. The additional financial information is in accordance with the books and records of South Pacific Business Development Microfinance (Fiji) (Ltd) which has been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 31 December 2013. Our statutory audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on the additional financial information and no warranty of accuracy and reliability is given.

In accordance with our firm's policy, we advise that neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any person (other than the company) in respect of such information.

BDO

SUVA, FIJI
15TH APRIL 2014

BDO
CHARTERED ACCOUNTANTS